

Press Release
Karlstad, Sweden, 23 February 2023

Embracer Groups's Middle-Earth Enterprises and New Line Cinema join forces to further explore the cinematic universe of "The Lord of the Rings" and "The Hobbit"

Embracer Group AB ("Embracer"), through its wholly-owned subsidiary Middle-earth-Enterprises, part of the operative group Freemode, has together with New Line Cinema and Warner Bros. Pictures concluded a multi-year agreement to collaborate on feature films based on "The Lord of the Rings" and "The Hobbit". The strategic agreement covers multiple feature films based on the revered works of J.R.R. Tolkien, expanding upon the much-loved world and characters of Middle-earth.

The agreement comes 20 years after New Line Cinema released Peter Jackson's epic "The Lord of the Rings" Trilogy. The films are among the most successful and acclaimed of all time, winning seventeen Oscars including eleven for "The Lord of the Rings: The Return of the King," tying the record for a single film. The Studio re-teamed with Jackson for a trilogy of films based on "The Hobbit," a co-production with Metro-Goldwyn-Mayer Pictures. Combined, the six films earned nearly \$6B in box office worldwide. New Line and Warner Bros. Animation are currently in production on "The Lord of the Rings: The War of the Rohirrim," an original anime set 183 years before the events in "The Lord of the Rings." The film tells the fate of the House of Helm Hammerhand, the legendary King of Rohan, and marches into cinemas on April 12, 2024.

"Following our recent acquisition of Middle-earth Enterprises, we're thrilled to embark on this new collaborative journey with New Line Cinema and Warner Bros. Pictures, bringing the incomparable world of J.R.R. Tolkien back to the big screen in new and exciting ways. We understand how cherished these works are and working together with our partners at New Line Cinema and Warner Bros. Pictures, we plan to honor the past, look to the future, and adhere to the strongest level of quality and production values." said Lee Guinchard, CEO of Freemode.

"Twenty years ago, New Line took an unprecedented leap of faith to realize the incredible stories, characters and world of 'The Lord of the Rings' on the big screen. The result was a landmark series of films that have been embraced by generations of fans. But for all the scope and detail lovingly packed into the two trilogies, the vast, complex and dazzling

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universe dreamed up by J.R.R. Tolkien remains largely unexplored on film. The opportunity to invite fans deeper into the cinematic world of Middle-earth is an honor, and we are excited to partner with Middle-earth Enterprises and Embracer on this adventure,” said Warner Bros. Pictures Group Co-Chairs and CEOs Michael De Luca and Pam Abdy.

This agreement is one of the deals with several industry partners, previously discussed in conjunction with Embracer’s Q3 report February 2023, that are jointly transformative. This specific partnership aims to create long-term value for Embracer Group and is expected to have limited effects in the short term.

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About Embracer Group

Embracer Group is a global Group of creative and entrepreneurial businesses in PC, console, mobile and board games and other related media. The Group has an extensive catalog of over 850 owned or controlled franchises.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its twelve operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment, Easybrain, Asmodee, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group has 134 internal game development studios and is engaging more than 16,200 employees in more than 40 countries.

Embracer Group’s shares are publicly listed on Nasdaq Stockholm under the ticker EMBRAC B.

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About New Line Cinema

Building on more than 55 years of innovation and creativity, New Line Cinema continues its long and successful history of producing critically acclaimed hit films that resonate with both mainstream and niche audiences around the world. A pioneer in the horror genre, New Line is known for compelling storytelling and producing groundbreaking entertainment. New Line is a unit of Warner Bros. Pictures Group.

Attachments

Embracer Groups's Middle-Earth Enterprises and New Line Cinema join forces to further explore the cinematic universe of "The Lord of the Rings" and "The Hobbit"